

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:2898

ANSWERED ON:20.03.2017

Impact of Demonetisation on Imports and Exports

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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the Government has noticed any impact of demonetization on the country's imports and exports;
- (b) if so, the details thereof along with the comparing data for imports and exports before and after demonetization;
- (c) the details of revenue generated through imports and exports after demonetization, month-wise indicating the decline therein; and
- (d) the details of other factors which influenced the growth of imports and exports of the country?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) & (b): Demonetisation was announced on 8th November, 2016. The monthly Merchandise Trade data for the period April-Feb 2015-16 and April-Feb 2016-17 are as under:

Table 1 :Monthly Merchandise Trade for 2016-17

Values in USD Billions

Month Export Import

2015-16 2016-17 % Growth 2015-16 2016-17 % Growth

April 22.14 20.57 -7.08 33.51 25.41 -24.15

May 22.53 22.17 -1.59 32.84 28.44 -13.38

June 22.32 22.57 1.11 33.54 30.69 -8.49

July 23.28 21.69 -6.84 36.37 29.45 -19.03

August 21.58 21.52 -0.30 33.98 29.19 -14.09

September 21.87 22.88 4.62 32.04 31.22 -2.54

October 21.46 23.51 9.59 31.15 33.67 8.11

November 19.56 20.01 2.29 29.90 33.02 10.44

December 22.59 23.88 5.72 34.10 34.25 0.46

January 21.20 22.12 4.32 28.87 31.96 10.70

February 20.85 24.49* 17.48 27.42 33.39* 21.76

Source: Directorate General of Commercial Intelligence and Statistics, Kolkata

*Quick Estimates (QE)

Table 1 gives value of month wise exports and imports of merchandise and it is evident that both exports and imports continue to exhibit the positive growth since September, 2016 till February, 2017.

(c): Month-wise Net Customs duty (on imports and exports) collections for the period April-Feb 2015-16 and April-Feb 2016-17 are as under:

Table 2: Month-wise Net Customs duty (on imports and exports) Collections

(Amount in ? Crore)

Month 2015-16 2016-17 % Growth

April 14286 17495 22.46

May 15750 18806 19.40

June 17414 18507 6.28

July 19045 16959 -10.95

August 19062 18681 -2.00

September 18312 18373 0.33

October 18998 19104 0.56

November 17659 20510 16.14

December 20093 18820 -6.34

January 17235 18974 10.09

February 16950 18797 10.90

Source: Central Board of Excise and Customs, Department of Revenue

While Demonetisation was announced on 8th November 2016, from table 2 above, it is evident that growth in net customs duty collections was positive in November (16.14%). However, in December, 2016 there was a negative growth (-6.34%), followed by positive growth of 10.09% and 10.90% in January 2017 and February 2017 respectively.

Part (d): Other factors which influenced the growth of imports and exports of the country are;

â€¢ Domestic Factors like cost of trade credit, trade infrastructural constraints along with Special Economic Zones (SEZ) related challenges, cost competitiveness.

â€¢ Global Factors like Level of growth of the world economy, growth and economic stability of key trading partners, Movement in global prices of Brent and Commodity prices.
